

E-015,013/PA-88-34ACCEPTING COMPLIANCE FILING AND CLOSING DOCKET

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Barbara Beerhalter	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Darrel L. Peterson	Commissioner

In the Matter of the Joint Petition for the Approval of Minnesota Power & Light Company's Purchase and Big Fork Valley Electric Service Company's Sale of Utility Property

ISSUE DATE: April 18, 1989

DOCKET NO. E-015,013/PA-88-34

ORDER ACCEPTING COMPLIANCE
FILING AND CLOSING DOCKET

PROCEDURAL HISTORY

On June 9, 1988, the Minnesota Public Utilities Commission (the Commission) issued its Order Approving Transfer of Utility Property and Service Area in this matter. That Order indicated that Minnesota Power & Light Company (MP) paid a purchase price of \$310,000 for Bigfork Valley Electric Service Company's (Big fork) distribution system having an approximate net book value of \$128,256 as of December 31, 1986. That Order required MP to make a compliance filing of closing statements, listing of assets transferred, and accounting entries within 30 days of closing.

MP's September 2, 1988 compliance filing showed that MP paid \$310,000 for assets having a net book value of approximately \$88,295.

The Department of Public Service (DPS) investigated the discrepancy. On February 23, 1989, the DPS filed its comments expressing concern that neither Bigfork nor MP had corrected the record earlier in the proceeding, but stating that its recommendation in the sale proceeding would have been unchanged.

On March 1, 1989, MP responded to the DPS indicating that it did not know of the discrepancy until it made its compliance report in September 1988.

FINDINGS AND CONCLUSIONS

The Commission will accept MP's compliance filing and close this docket. The Commission finds that the discrepancy in net book values has been adequately explained. MP did not attribute a value to Bigfork's franchise and vehicles were not transferred to MP. The Commission will clarify its June 9 Order to reflect that the net book value of Bigfork's assets transferred to MP was approximately \$88,295 rather than \$128,256. However, this does not change the Commission's findings and conclusions approving the transfer.

Further, the Commission notes that the ratemaking treatment of any acquisition adjustment was not addressed in this docket, but may be addressed in MP's future rate cases.

ORDER

1. Minnesota Power & Light Company's September 2, 1988 compliance filing in this matter is hereby accepted.
2. The Commission's June 9, 1988 Order Approving Transfer of Utility Property and Service Area is hereby clarified as discussed above.
3. This docket is hereby closed.
4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen
Executive Secretary

(S E A L)